

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

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June 3, 2003

**FROM: CAROL L. ANSELM, Assistant County Administrator
Human Services System**

SUBJECT: STATUS REPORT ON HUMAN SERVICES SYSTEM (HSS) LAYOFFS

RECOMMENDATION:

Accept report regarding employee layoffs in the Human Services System (HSS).

BACKGROUND:

Due to funding reductions from the State of California in excess of \$40 million dollars to HSS programs in the current fiscal year and next year, on April 30, 2003 the Human Services System was forced to announce the layoff of 218 employees, effective June 27, 2003. Although HSS has already received significant funding cuts from the State in the current fiscal year, HSS has been able to avoid layoffs in the current fiscal year because of many proactive costs cutting measures put in place during the year. However, HSS is facing not only the loss of CalWORKs incentive funds, but increased costs for MOU, retirement contribution and workers compensation increases. As a result, the Human Services System is forced to reduce staffing for next year in order to balance the HSS budget for FY 03/04.

The April 30, 2003 announcement included employee layoffs in the following HSS programs:

Transitional Assistance Department	114
Program Integrity Division	34
Public Health	10
Child Support Services	60
Total	218

The number of layoffs has since been reduced to 190 due to retirements and other voluntary moves.

Recognizing the adverse affect any layoff action has to the individual employees involved, the organization as a whole, and the public served by these programs, HSS began implementing cost cutting measures early last year in order to mitigate the potential for layoffs as much a possible. These cost cutting measures included the following:

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- hiring restrictions and hiring freeze,
- employee transfers,
- services and supplies reductions,
- fixed asset reductions, consolidations of leased space, and
- reduction and/or elimination of contracts.

These measures have had a significant impact in mitigating the budget shortfall and minimizing the actual number of employee layoffs.

At the Board of Supervisor's meeting of May 20, 2003, the Board directed the County Administrative Office to report on the status of the employee layoffs at HSS. The Board directed that the report address the following:

- Initial report on layoffs, including reductions that have and should be made
- Process for employee notification and communication of rules
- Circumstances involving transfers of employees to Child Support Services

As the County moves forward with this process, HSS will continue to work closely with Human Resources and the County Administrative Office in assisting the displaced employees as much as possible and minimizing the disruption in services to the public. This office will also keep the Board advised as the process continues.

REVIEW BY OTHERS: This item has been reviewed by County Counsel, Ruth Stringer on May 27, 2003, by HSS Administration, Kris Letterman, Finance Manager on May 27, 2003, and by County Administrative Office, Gary Morris, Administrative Analyst on May 27, 2003.

FINANCIAL DATA: The total annual cost savings associated with this layoff action is \$11.2 million dollars in salaries and benefits.

SUPERVISORIAL DISTRICT: ALL

PRESENTER: Carol L. Anselmi, Assistant County Administrator
(909) 387-4764